GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7785
ANSWERED ON:17.05.2002
VALUE OF RUPEE
PAWAN KUMAR BANSAL

Will the Minister of FINANCE be pleased to state:

(a) whether the Indian rupee has faced a steady decline in its value vis-...-vis other currencies for quite some time now;

(b) if so, the details thereof and its exchange value against other major currencies as on December 31 last year and the preceding two years;

(c) whether the value has been according to the expectations of the Government; and

(d) the actual role played by RBI in influencing the value of the rupee?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) to (d) : The exchange rate of the rupee is largely market determined. Under this system, the exchange rate of the rupee against the major foreign currencies moves in both directions on a day to day basis. While the rupee has depreciated against the US dollar, by 9.7 per cent between end-December 1999 and end-December 2001, it had appreciated, during the same period against the Japanese Yen by 15.8 per cent, Euro by 2.8 per cent and the Pound Sterling by 0.6 per cent. The exchange rates of the rupee against the four major world currencies as on December 31, 2001 as compared to December 29, 2000 and December 31, 1999are given below:

Date	Rs./US dollar	Rs./100Yen	Rs./Euro	Rs./Pound Stg.
December 31, 2001	48.18	36.69	42.64	69.89
December 29, 2000	46.75	40.74	43.41	69.75
December 31, 1999	43.51	42.48	43.84	70.28

Our policy aims at managing volatility of rupee with no fixed exchange rate target. Despite several unexpected external and domestic developments, India`s external situation continues to remain highly satisfactory. The Reserve Bank monitors closely the developments in the financial markets at home and abroad and takes such monetary and other measures as it considers necessary from time to time.